

Edge Weekly

## Picking On The Present: Subnational economic histories provide good tools for policymaking

By Ooi Kee Beng / The Edge Malaysia

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(Photo by Abdul Ghani Ismail/The Edge)

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Continuing the line of thinking presented in this column last month, on “Recognising the colonial period as the genesis of Malaysian history” (The Edge, Issue 1567, March 24, 2025), we are given a shocking current example of how excessive nostalgia for past glory — by its nature always exaggerated into fantasies, or “alternative histories” or “fake news” in today’s uncompromising terms — can easily lead to chaos and bewilderment.

US President Donald Trump’s “Liberation Day” appears to be a move in the real world made by someone who believes that the US is a victim of world trade and that despite its unmatched hegemonic strength today — or at least the day before April 2, 2025 — it needs to liberate itself. It needs to become the manufacturing giant that it was in the 1960s or in an imagined period of strength it had in the late 19th century before the European wars of the 20th century made it lose its isolationistic way. See Fareed Zakaria’s wonderful analysis of the surprising situation in “Trump’s tariffs will bring America back to the 19th century” (<https://edition.cnn.com/2025/04/06/politics/video/gps0406-tariffs-trump-economy-american-decline>).

Looking only to this distant past — distant as far as American history is concerned — has led to a movement for “liberation” that is tantamount to a dismantling of the fabric that had provided it with its global power and economic strength pre-April 2.

Thinking of American might as “manufacturing might”, therefore the tariffs on goods and not on services, which is the US’ real strength today, and expressing a nostalgic world view based on the vagueness of distant history, Trump has started a “cultural revolution” against its recent past and the unacceptable present that the recent past has cursed it with.

Let us leave Trump and his War of Liberation, stemming from the history of victimhood he chooses to assume, and perhaps coinciding with the heavy emotional baggage of a fast-ageing person whose worldview was formed in his youth by positive propaganda of distant times.

Allow me to generalise this historic turn in the world’s fortunes to my general discussion in last month’s article about the two ways of looking at history: First, one can consider history to be the distant past, entertaining and enlightening in its

own way but whose influence on the present is weak and only opportunistically deterministic; second, one can consider history to be the dynamics of the recent past by which the present is most evidently determined. I daresay the burden of evidence of the recent past encourages most people to prefer stories from the distant past — the distance to that past allows for more “alternative histories”.

## History for policymakers

As pointed out by Fauwaz Abdul Aziz in “How Tools from the Discipline of History Can Improve Public Policymaking”, an Issues Policy Brief published by Penang Institute on March 28, there are “a few conceptual ‘tools’ used by historians which policymakers can and should integrate into their craft for the benefit of both public policymaking and the larger public interest. The tools are (1) patterning time, (2) weaving context, (3) analysing relations, (4) integrating evidence, and (5) persuading audiences”. (See <https://penanginstitute.org/publications/issues/how-tools-from-the-discipline-of-history-can-improve-public-policymaking/>).

Handling these analytical tools is already a lot of hard work for historians, let alone policymakers. Connecting to my earlier points, policymakers — unless properly advised or strongly supported by “adults in the room” — would easily fall into the trap of the more easy and emotionally more gratifying “distant past” as a basis for their present policies.

Applying this analytical process to Malaysia, one should be able to discern quite easily that the Malay Agenda, despite starting out in the New Economic Policy (NEP) as a commendable attempt at solving present problems with local knowledge and scientific evidence from the recent past, meaning the colonial socio-economic heritage that the British left to the federation over two decades of slow withdrawal from the region, quickly deviated to favour easy nostalgia based on dubious understandings of the distant past. Indeed, this allowed for racialism to flourish under the guise of “indigenous nationalism” and for religionism after the 1979 Iranian Revolution to direct Malaysian discourses towards a bygone Muslim golden age as the compass for national discourses. We ended up with two layers of past glory to contend with, overwhelming the more potent realities of the country’s recent past.

That recent past is, of course, too difficult to deny, and thus the persistent popular divisions in the country can to a large extent be understood as a reflection of these two ways of looking at the past.

How does one remedy this? How do we get out of this cul-de-sac? Indeed, that is the solution, I believe, that the Madani government is seeking. The answer, I believe, already lies in the Federal Constitution, or at least in the spirit of that document. Recent history is best understood at the local level, because that is where life is lived, relationships are formed and economic transactions are performed. That is why the creation of Malaysia as a federation is the deepest wisdom to be found in this founding document.

## **Economic history of the Malaysian states**

Happily, there are healthy movements to be observed on this front. The wish for states to have more say on their economic growth — and by logical extension, on their immediate realities and their ability to exercise the principle of subsidiarity — is one sign of this. The centre does not have to hold. Let the bottom support the centre by empowering the former. Subsidiarity, by the way, is the conviction that policies are best made and applied at the lowest possible level befitting the issue at hand.

First off, there are very few histories written about Malaysia as a whole. What is more promising in learning about a past that is more relevant to positive policymaking is to study the recent economic histories of the various regions in Malaysia (not necessarily coinciding with state boundaries as we know them today).

Political histories about the various states have been written but that is a very narrow way of looking at socio-economics. What is needed are economic histories of Malaysia's many regions. These, preferably, should lead up to the present times to be of real value to policymakers. They should be as bottom-up as possible.

There is one attempt at such a history already, which I have in hand, and which makes for a good indication of the path for Malaysianists to follow. This is

**Globalization: Perak's Rise, Relative Decline, and Regeneration (Oxford 2024),**

written by none other than the Sultan of Perak Sultan Nazrin Shah. The title is tightly representative of the content. It strongly places the history of the sultanate of Perak within the larger dynamics of globalisation and, of course, that is the only honest approach in describing the beginnings of its modern economy. Without that, it is hard to appreciate its “relative decline” and to work towards its “regeneration”.

What also becomes evident in this tour-de-force analysis of Perak’s past are the colonialist workings in the region, in Perak’s “near foreign” as it were. The modernising dynamics of the neighbouring states of Penang and Selangor played a huge role in how the wealth of Perak developed or declined. And how these two states’ wealth and decline depended on the state of global economics, as run by the colonial power.

I highly recommend this book, not only in the context I present here but also as a superb example of how Malaysian history is best approached — as subnational economic histories. Sultan Nazrin Shah’s approach starts with this line to locate “the first wave” of the globalisation of Perak: “Three major advances in the 19th century propelled the first wave of globalization, shaping the rise of tin-rich Perak and bringing great benefit to it, as it did to other Malay peninsula states and the British colony of the Straits Settlements of Penang, Singapore, and Melaka.”

He notes more concretely that these benefits were possible because of (1) a transport revolution facilitating and lowering logistical costs; (2) hugely increased demand for raw materials caused by the Industrial Revolution in Britain putting places rich in natural resources such as Perak on the global map; and (3) post-colonial Britain moving against protectionism and sweeping away tariffs on food and raw materials, forcing other big powers then to follow suit.

Needless to say, quoting Singaporean statesman Dr Goh Keng Swee’s slogan about “the Primacy of Economics”, these new economic realities, which by now are globally decided, dictated socio-economic, demographic and capital movements throughout the western states of the Malay peninsula. Reflecting the revolutionary societal changes that were to come in the following 150 years of Perak’s history and that of other Malaysian states, these changes provided the undeniable basis for all policymaking.

This reality was what the Constitution of the Federation of Malaya had to work with and to embrace. Politicians may deny this, but they do so at great risk to the economic and social harmony of the globalised economy we call Malaysia today.

Ignoring this in favour of a pre-globalisation history cannot but inject unsolvable divisions into the national discourse, something most easily noted in how parties in Malaysia today are race- or religion-based and how the differing levels of globalisation had precipitated deep misunderstandings between national regions.

Trump has embraced distant-history fantasies to propel his isolationist policies, offering Malaysia an extreme version of where historical nostalgia that denies recent history can take us.

Sultan Nazrin Shah's suggestions at the end of his book offer much food for thought for the leaders of all other states and for the federal government. There are too many to reiterate here, so I would suggest that all who are interested in the subject should study this exemplary volume on state history and on what policymakers should think about today.

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